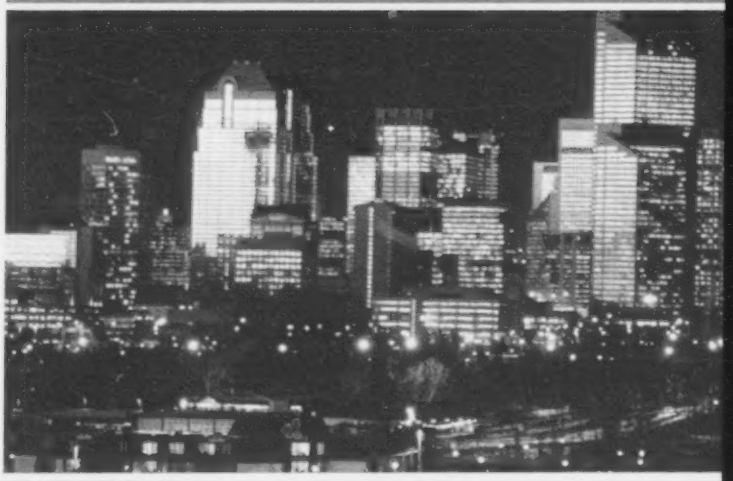

March 2012

# Regional Economic Indicators

## West Yellowhead Region

Government of Alberta

# WEST YELLOWHEAD REGION


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# The Region at a Glance

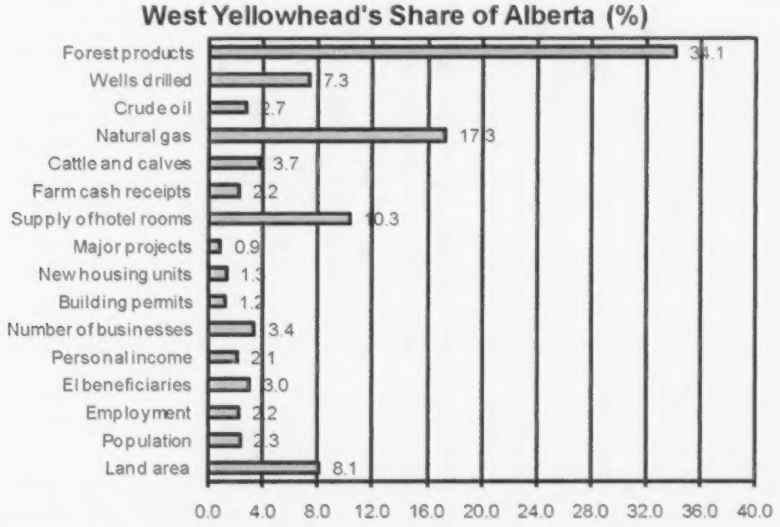
The West Yellowhead region in western Alberta covers an area of almost 51,767 square kilometers, larger in size than the Netherlands. The region accounts for 8.1% of Alberta's land mass and for 2.3% of Alberta's population.

According to Statistics Canada's latest estimates, the region's population totaled 87,200 in 2010, an increase of 3.4% from 2006. The region's unemployment rate was 6.8% in 2010, down from 8.0% in 2009. According to the 2006 federal Census, the number of employees was 46,190 in 2006.

The region's largest industry on an employment basis is oil and gas, accounting for nearly 16% of total employment in 2006, followed by retail trade at 11% and accommodation and food services at 9%. The construction and agricultural and forestry industries are also well represented in this region, and it also has a sizeable manufacturing base, which is concentrated in the forest products sector. The fastest growing industry between Census years 2001 and 2006 was the oil and gas sector, which increased its employment by 47%. Employment in the manufacturing sector fell by 12% in the West Yellowhead region over the same period, mainly because of declining employment in the forest products sector.

According to personal income taxfiler data the average individual income was $38,000 in 2007, a 39% increase from 2003. Average income for couples was $104,600 in 2007, a 43% rise from 2003.

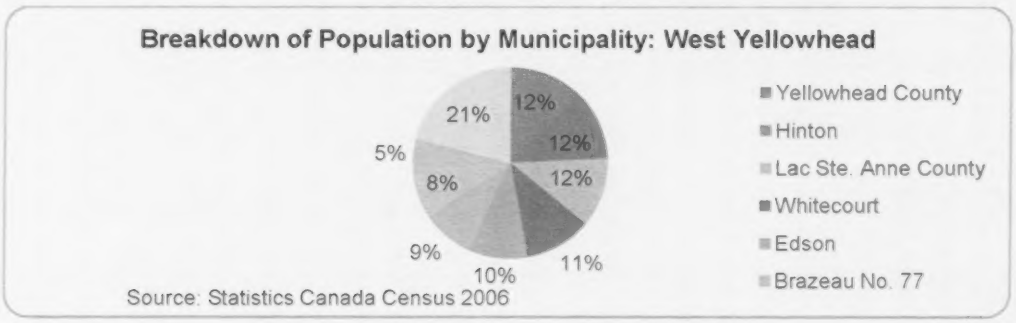
West Yellowhead is Alberta's top producer of forest products, accounting for about one-third of total production in the province, and is the leading producer of lumber. The region is the province's third largest natural gas producer and the third largest producer of conventional crude oil. It is also one of the province's top three tourism destinations.




Although very few current indicators are available on a regional basis, it is clear that the impacts of the global economic crisis have also subsided in this region; for instance the number of Employment Insurance beneficiaries receiving regular benefits in the West Yellowhead region fell by 17% between 2009 and 2010. Moreover, the number declined sharply by 35% between June 2010 and June 2011.

# Major Municipalities

The largest municipality in the West Yellowhead Region, according to the 2006 Statistics Canada Census, was Yellowhead County with a population of 10,045[1]. The municipality in the West Yellowhead Region with the highest population growth between 2001 and 2006 was Drayton Valley, which experienced an increase of 13.2% or 803 residents between 2001 and 2006. According to the latest municipal census, the Municipality of Jasper had 4,745 residents in 2008, 510 of which were part of the official shadow population[2]. Whitecourt's population rose 5.2% between 2004 and 2008 to 9,202 according to the municipal census.




| Economic Indicators: West Yellowhead Region | | | | | | |
|---|---|---|---|---|---|---|
| **Major Municipalities *** | **Status** | **2006 Population** | **2001 Population** | **5 Year % Change** | **1996 Population** | **10 Year % Change** |
| Yellowhead County | Municipal District | 10,045 | 9,881 | 1.7% | 9,352 | 7.4% |
| Hinton | Town | 9,738 | 9,405 | 3.5% | 9,961 | -2.2% |
| Lac Ste. Anne County | Municipal District | 9,516 | 8,948 | 6.3% | 8,737 | 8.9% |
| Whitecourt | Town | 8,971 | 8,334 | 7.6% | 7,783 | 15.3% |
| Edson | Town | 8,098 | 7,585 | 6.8% | 7,399 | 9.4% |
| Brazeau No. 77 | Municipal District | 7,040 | 6,606 | 6.6% | 6,589 | 6.8% |
| Drayton Valley | Town | 6,893 | 6,090 | 13.2% | 5,883 | 17.2% |
| Jasper | Specialized Municipality | 4,265 | 4,180 | 2.0% | 4,301 | -0.8% |
| Woodlands County | Municipal District | 4,158 | 3,818 | 8.9% | 3,699 | 12.4% |
| Grande Cache | Town | 3,783 | 3,828 | -1.2% | 4,441 | -14.8% |
| Source: Statistics Canada, Census 1996, 2001, 2006 | | | | | | |

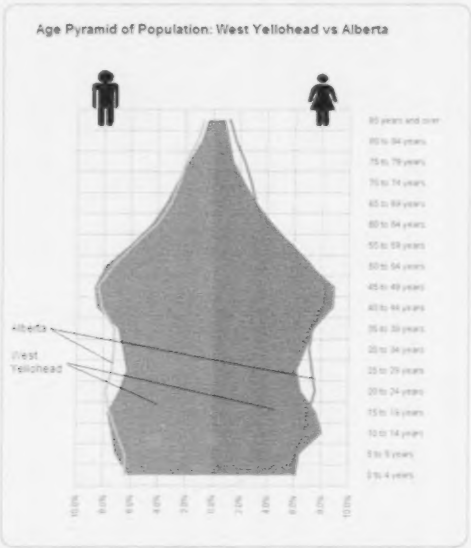
* Top 10 cities, towns, villages and municipal districts in region, based on population in latest census year

[1] Note: the Census under-estimates the overall population totals for any region or municipality as some people are not counted. The reasons for this under-coverage can range from some households not receiving a census questionnaire to individuals not being included in the questionnaire completed for a household.

[2] Numerical differences between the federal and municipal censuses may be ascribed to slight variations in the definition of "usual residence," as well as how "shadow populations" are treated. While municipalities define the "shadow population" as "temporary residents of a municipality who are employed by an industrial or commercial establishment in the municipality for a minimum of 30 days" and include them in their official population numbers if they consist at least 10% of the municipality's population or a minimum of 1,000 individuals, the shadow population of transient workers is not accounted for in population counts conducted by Statistics Canada.

# Demographics

According to the most recent Statistics Canada Census, the population of the West Yellowhead Region was 81,495 in 2006 or 2.5% of Alberta's total population. This was a 5.5% increase from the Census estimate of 2001 and a 6.9% increase from the 1996 Census estimate. The Census indicates that, on average, the West Yellowhead region's population is somewhat younger than the provincial average. Challenges may begin to present themselves though,as the somewhat smaller prime working age group is increasingly required to sustain the larger cohort of the retiring age group through higher productivity levels.




| Economic Indicators: West Yellowhead Region | | | |
|---|---|---|---|
| | **2006** | **2001** | **1996** |
| **Census Population**[3] | 81,495 | 77,230 | 76,251 |
| **% of Provincial Total** | 2.5% | 2.6% | 2.8% |
| **Population Components** | **2006** | **2001** | **1996** |
| Age Group: 0 - 14 (%) | 20.6 | 22.4 | 25.1 |
| Age Group: 14 – 24 (%) | 14.4 | 14.1 | N/A |
| Age Group: 25 – 44 (%) | 28.9 | 32.0 | N/A |
| Age Group: 45 – 64 (%) | 26.8 | 22.6 | N/A |
| Age Group: 65+ (%) | 9.4 | 8.5 | 7.3 |
| Dependency Ratio[4] | 43.0 | 46.3 | 47.7 |
| Old Age Dependency Ratio [5] | 13.5 | 12.7 | 10.7 |
| Source: Statistics Canada, Census 1996, 2001, 2006 | | | |

[3] See below paragraph about the under-coverage problems of Census population estimates

[4] Dependency Ratio: The percentage of the population below the age of 15(Child) and over the age of 64 (Elderly) divided by the number of adults (15-64). This is the population of children and elderly that are dependent on the adult population for economic needs.

[5] Age Dependency Ratio: The percentage of the population over the age of 64 (Elderly) divided by the number of adults (15-64). This is the population that is dependent on the adult population for economic needs.

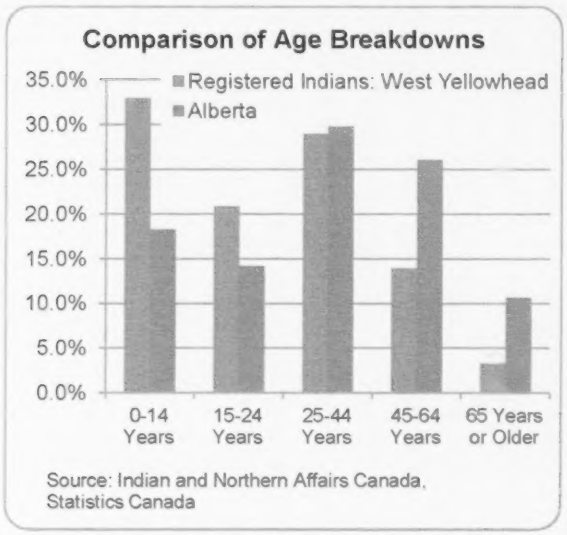
Although the Census provides the most detailed and accurate information at a single point in time on the demographic, social and economic conditions of the population, the Census under-estimates the overall population totals for any region as some people are not counted. The reasons for this under-coverage can range from some households not receiving a census questionnaire to individuals not being included in the questionnaire completed for a household. Therefore, the below presented post-censal estimates should be used as the official population estimates for the region.

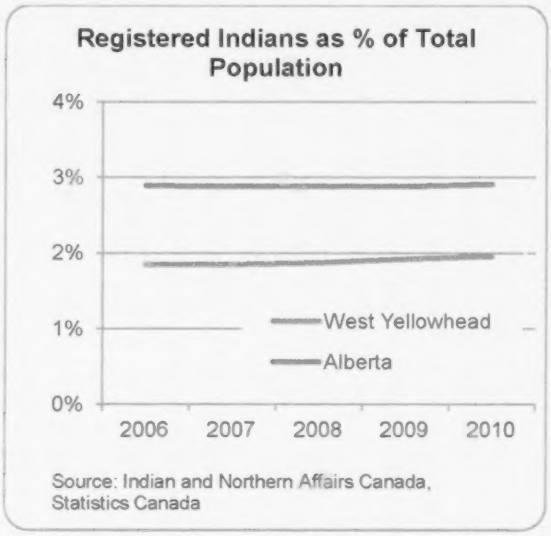
| Population Estimates – West Yellowhead Region | | | | | |
|---|---|---|---|---|---|
| | **2010** | **2009** | **2008** | **2007** | **2006** |
| **Total Population** (Thousands) | 87.2 | 87.2 | 86.6 | 85.7 | 84.3 |
| **Share of Provincial Total** (%) | 2.3% | 2.4% | 2.4% | 2.4% | 2.5% |
| Source: Statistics Canada – estimates as of July 1 of each year | | | | | |

According to the post-censal estimates, the region's population increased by 2,900 or 3.4% between 2006 and 2010, compared with 8.8% growth at the provincial level. The region's share of Alberta's population fell to 2.3% in 2010.

# Aboriginals

In 2010, the Alexis band in the West Yellowhead Region had a population of 1,708 Registered Indians, 58.5% of whom lived on reserve and crown land. [1] This represents a 12.7% increase in registered population over five years. Registered Indians comprised 2.0% of West Yellowhead's total population in 2010, compared with 2.9% for the province as a whole. Registered Indians in West Yellowhead are significantly younger than the average Albertan; 33% are under the age of 15 (versus 18% of the provincial population).



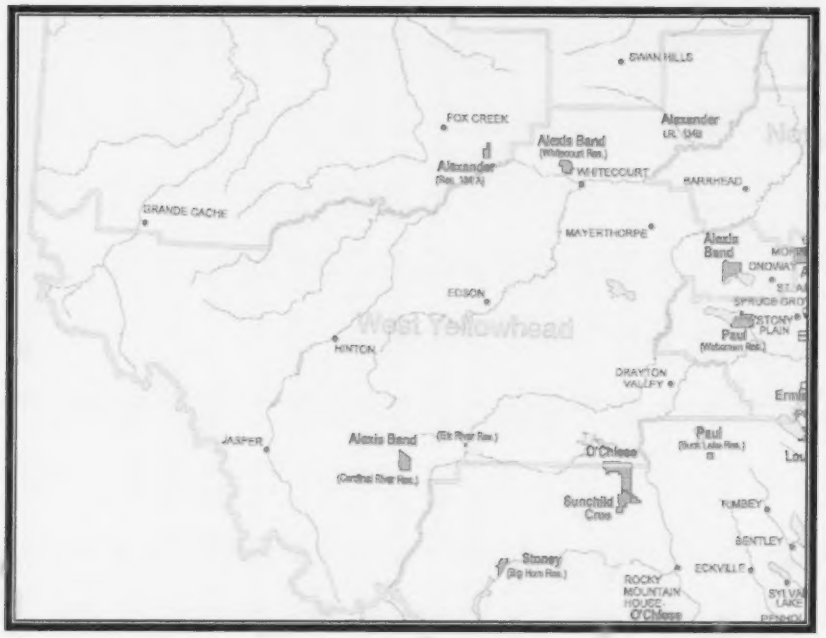




Registered Indian Population, by Type of Residence and Group: West Yellowhead Region

| Group | Residence Type | 2010 | 2009 | 2008 | 20007 | 2006 | 2005 | 1-Year Change | 5-Year Change |
|---|---|---|---|---|---|---|---|---|---|
| Alexis | Total | 1,708 | 1,674 | 1,623 | 1,586 | 1,560 | 1,516 | 2.0% | 12.7% |
| | Reserve & Crown Land | 1,000 | 980 | 958 | 935 | 928 | 907 | 2.0% | 10.3% |
| | Off Reserve | 708 | 694 | 665 | 651 | 632 | 609 | 2.0% | 16.3% |

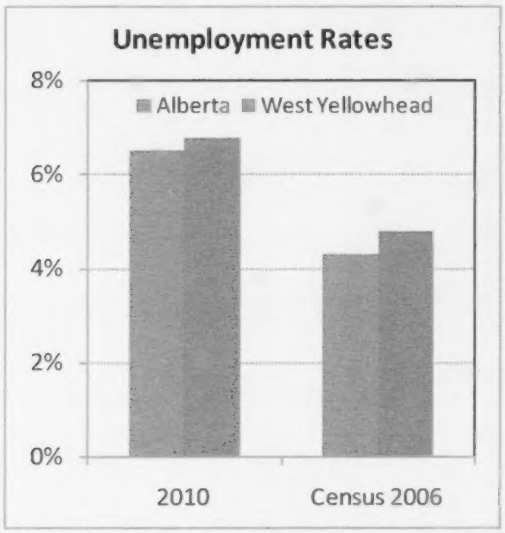
Source: Indian and Northern Affairs Canada, Alberta Municipal Affairs

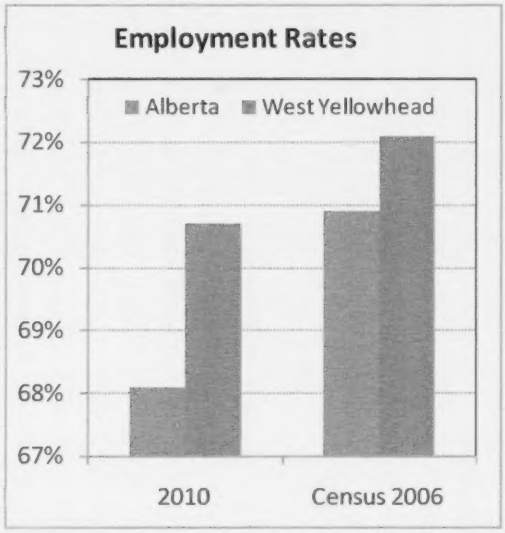
[1] **Registered (Status) or Treaty Indians:** According to Statistics Canada Registered Indians (also referred to as "status Indians") refer to those persons registered under the *Indian Act* while Treaty Indian refer to people who are registered under the *Indian Act* and who belong to an Indian Band or First Nation that signed a treaty with the Crown. Registered/Treaty Indians may be classified as on or off reserve indicating their place of residence.


SWAN HILLS
FOX CREEK
Alexander
LR 134B
Alexis Band
(Whitecourt Res.)
Alexander
(Res. 134 A)
WHITECOURT
BARRHEAD
GRANDE CACHE
MAYERTHORPE
Alexis
Band
EDSON
West Yellowhead
HINTON
Paul
(Wabamun Res.)
DRAYTON
VALLEY
JASPER
Alexis Band
(Elk River Res.)
(Cardinal River Res.)
O'Chiese
Paul
(Duck Lake Res.)
Sunchild
Cree
KIMBEY
BENTLEY
Stoney
(Big Horn Res.)
ROCKY
MOUNTAIN
HOUSE
O'Chiese

# Labour Force Characteristics

According to Statistics Canada's Labour Force Survey (LFS), the West Yellowhead region's employment rate[7] for the working age population of 15 years and older was 70.7% in 2010 and the participation rate[8] was 75.9%. By comparison, Alberta's employment and participation rates were lower at 68.1% and 72.9%, respectively. The region's unemployment rate fell to an estimated 6.8% in 2010, down from 8.0% in 2009. Alberta's unemployment rate was 6.5% in 2010.




| Labour Force Characteristics – West Yellowhead Region | | | | | |
|---|---|---|---|---|---|
| | **2006** | **2007** | **2008** | **2009** | **2010** |
| Participation Rate: 15 years and older (%) | 71.9 | 74.7 | 73.2 | 75.4 | 75.9 |
| Unemployment Rate: 15 years and older (%) | 3.8 | 3.7 | 4.6 | 8.0 | 6.8 |
| Employment Rate: 15 years and older (%) | 69.2 | 72.0 | 69.9 | 69.4 | 70.7 |

**Source: Statistics Canada, Labour Force Survey**

*Statistics Canada cautions the reader that the regional Labour Force Survey estimates may be subject to large year-to-year fluctuations, especially for the smaller regions, due to sample size problems and there not being any population control totals for non-standard geographies such as this region.*

Although timely labour force estimates from the Labour Force Survey (LFS) are generally not reliable for small areas such as this region[9], it is clear from the LFS database that

[7] The employment rate measures the proportion of the adult population that is employed. Employment Rate = (Employed / Population 15+)*100. High labour utilization traditionally accompanies strong economic activity.

[8] The participation rate measures the proportion of the adult population that is in the labour force. Participation Rate = (Labour Force / Population 15+)*100. High labour participation is an effective indicator of the level of engagement among the working age population and traditionally accompanies strong economic activity.

[9] Due to sample size problems and there not being any population control totals for non-standard geographies.

employment in the region has declined between 2008 and 2010. Census estimates are used for the following discussions on employment estimates.

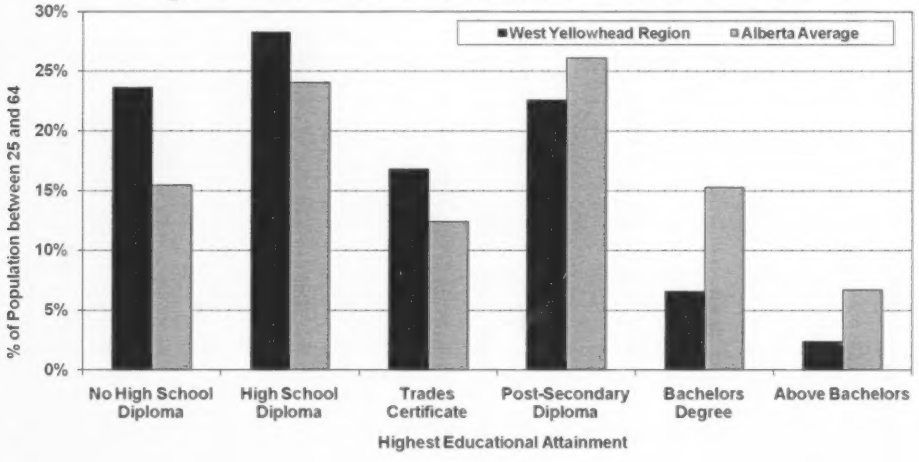
Between 2001 and 2006, the number of people employed in Alberta grew by 14.7% or by 239,800. Over the same period, employment in the West Yellowhead region grew by an estimated 4,900 or 11.8%. In 2006, the West Yellowhead region made up 2.4% of Alberta's working age population (15+ years), and the region's increase in employment between 2001 and 2006 accounted for 1.9% of all new jobs created in Alberta over that period.

| Labour Force Characteristics - West Yellowhead Region | | |
|---|---|---|
| | **2006** | **2001** |
| Population: 15 years and older (Thousands) | 64.1 | 58.7 |
| Labour Force: 15 years and older (Thousands) | 48.5 | 43.9 |
| Employment: 15 years and older (Thousands) | 46.2 | 41.3 |
| Unemployment: 15 years and older (Thousands) | 2.3 | 2.6 |
| Participation Rate: 15 years and older (%) | 75.8 | 74.7 |
| Unemployment Rate: 15 years and older (%) | 4.8 | 5.8 |
| Employment Rate: 15 years and older (%) | 72.1 | 70.3 |
| Source: Statistics Canada Census, 2001 and 2006 | | |

*Statistics Canada cautions the reader that the regional Labour Force Survey estimates may be subject to large year-to-year fluctuations, especially for the smaller regions. Because of these data problems, census data for 2001 and 2006 were used for all indicators for the smaller regions such as the West Yellowhead Region and data for these indicators for the other years are not included in the tables.*

According to the 2006 census, the level of educational attainment is lower for this region than for Alberta. For the working age population of between 25 and 64 years, 31.4% had a post-secondary degree or diploma, compared with 48.1% for all of Alberta. However, the region does have a larger share holding a trades certificate: 16.8% in the region vs. 12.4% in Alberta. 23.6% of the region's working age population did not finish high school, higher than the Alberta average of 15.4%.

**Highest Educational Attainment - West Yellowhead**

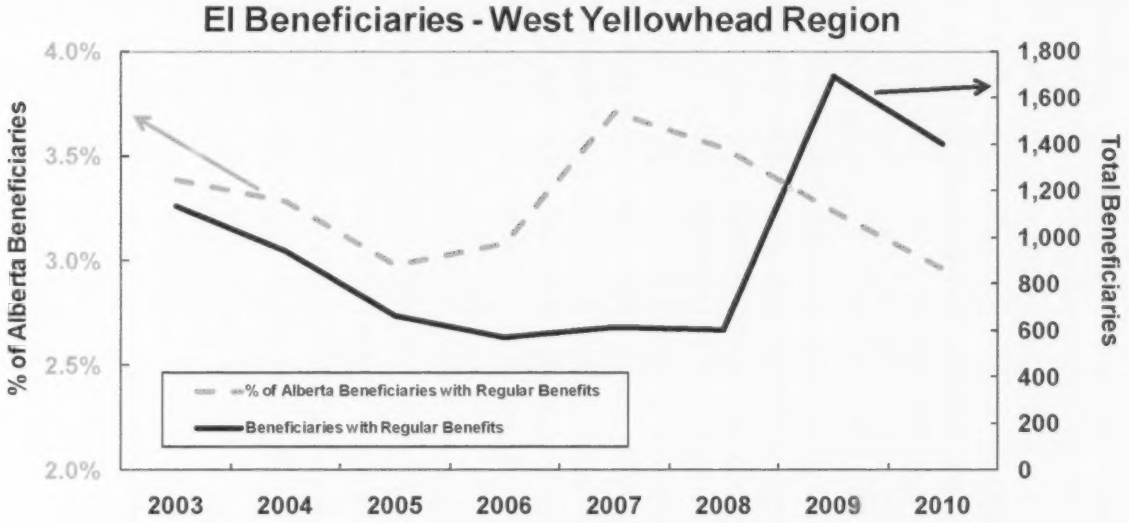


# Employment Insurance Beneficiaries

In 2010, 1,400 people received regular Employment Insurance (EI) benefits[10] in the West Yellowhead region, a 17% decrease from the 2009 number of 1,690[11]. Over the same period, the number of EI recipients fell by 9% in Alberta. As a result, the region's share of Alberta EI recipients fell to 3.0%. Between February 2010 and February 2011, the number of regular beneficiaries fell by an estimated 35% in the region.

The total number of income beneficiaries[12] with both regular and special benefits, such as for sickness or parental leave, fell by 15% between 2009 and 2010.

Note: although this measure provides a useful gauge of unemployment it is an imperfect measure, as it excludes self-employed workers and individuals who were unemployed for more than 12 months. At the Canadian level, the EI beneficiaries-to-unemployed ratio was fairly stable over time prior to the recession at between 40% and 45%. In Alberta, the ratio fell gradually during the economic boom years from more than 40% in 1996 to less than 25% in 2007 and the first nine months of 2008. The ratio climbed to more than 40% in 2009 and was 36% in 2010.




| EI Recipients: West Yellowhead | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 1-Year Change | 5-Year Change |
| Total Income Beneficiaries | 1,310 | 1,230 | 1,310 | 1,350 | 2,520 | 2,150 | -15% | 64% |
| # of EI Beneficiaries with Regular Benefits | 660 | 570 | 610 | 600 | 1,690 | 1,400 | -17% | 112% |
| % of Alberta Beneficiaries with Reg. Benefits | 3.0% | 3.1% | 3.7% | 3.5% | 3.2% | 3.0% | -0.2% | 0.0% |
| Source: Statistics Canada, Human Resources and Skills Development Canada | | | | | | | | |

[10] The number of beneficiaries receiving regular benefits excludes claimants receiving training, job creation and self-employment benefits as well as other employment and support measures benefits.

[11] Economic Action Plan provides beneficiaries with five extra weeks of regular EI benefits in 2009 and 2010.

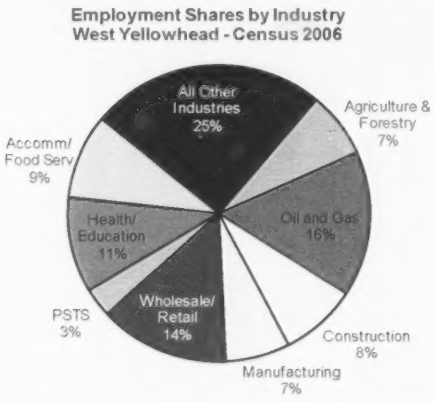
[12] The number of beneficiaries receiving total income benefits includes both the beneficiaries receiving regular benefits and those receiving special benefits, such as for training, job creation, sickness, parental.

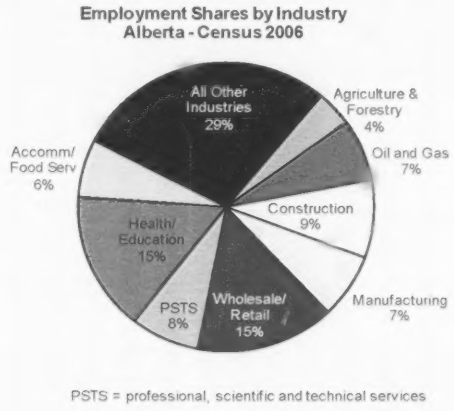
# Employment by Industry

In 2006, according to Statistics Canada's census data, the services-producing sector in the West Yellowhead region accounted for about 61% of the total number employed. By comparison, the service sector accounted for 72% of Alberta's employment.

The Mining and Oil and Gas industry employed the largest number of individuals. This industry accounted for 16% of the region's employment in 2006, much higher than the industry's 7% share at the Alberta level. The region's next largest industries were Retail Trade and Accommodation and Food Services, which accounted for 11% and 9%, respectively, of regional employment.

Between 2001 and 2006, the Mining and Oil and Gas industry had the largest employment gain (up 2,320), mainly because of increased drilling activity. A large increase of about 700 jobs was also noted for the Construction sector. Employment decreased by about 400 in Manufacturing (mainly forest products) and in Accommodation and Food Services.




PSTS = professional, scientific and technical services

Although estimates from the Labour Force Survey are not very reliable[13] for the small regions, it would appear from the survey's results that employment in the Manufacturing and Forestry sectors declined between 2006 and 2010.

[13] Due to sample size problems and there not being any population control totals for non-standard geographies

| Employment by Industry - West Yellowhead Region | | |
|---|---|---|
| | **2006** | **2001** |
| **All Industries (Thousands) - Total** | **46.2** | **41.3** |
| **Goods-Producing Sector** | **18.1** | **16.0** |
| Agriculture & Forestry | 3.3 | 3.6 |
| Mining & Oil & Gas | 7.3 | 5.0 |
| Utilities | 0.5 | 0.5 |
| Construction | 3.8 | 3.2 |
| Manufacturing | 3.2 | 3.6 |
| **Services-Producing Sector** | **28.1** | **25.3** |
| Wholesale Trade | 1.4 | 1.1 |
| Retail Trade | 5.0 | 4.5 |
| Transportation & Warehousing | 3.1 | 2.8 |
| Finance, Insurance, Real Estate & Leasing | 1.6 | 1.3 |
| Professional, Scientific & Technical Services | 1.5 | 1.3 |
| Business, Building & Other Support Services | 1.3 | 1.0 |
| Educational Services | 2.1 | 2.0 |
| Health Care & Social Assistance | 2.7 | 2.5 |
| Information, Culture & Recreation | 1.0 | 0.8 |
| Accommodation & Food Services | 4.3 | 4.7 |
| Other Services | 2.5 | 1.9 |
| Public Administration | 1.6 | 1.6 |

Source: Statistics Canada, Census 2001 and 2006

*Statistics Canada cautions the reader that the regional Labour Force Survey estimates may be subject to large year-to-year fluctuations, especially for the smaller regions. Because of these data problems, census data for 2001 and 2006 were used for all indicators for the smaller regions such as the West Yellowhead Region and data for these indicators for the other years are not included in the tables.*

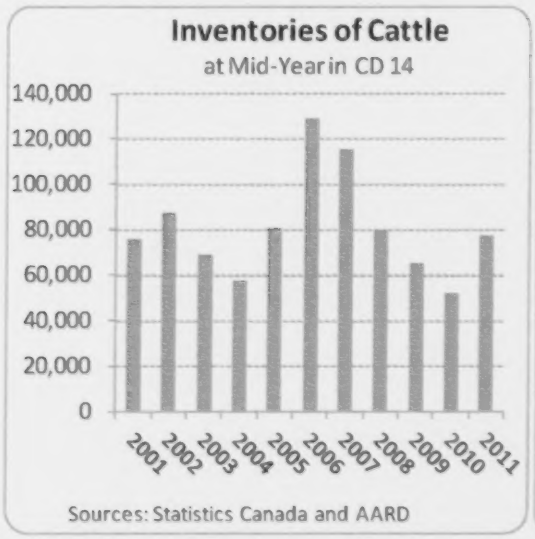
# Agriculture

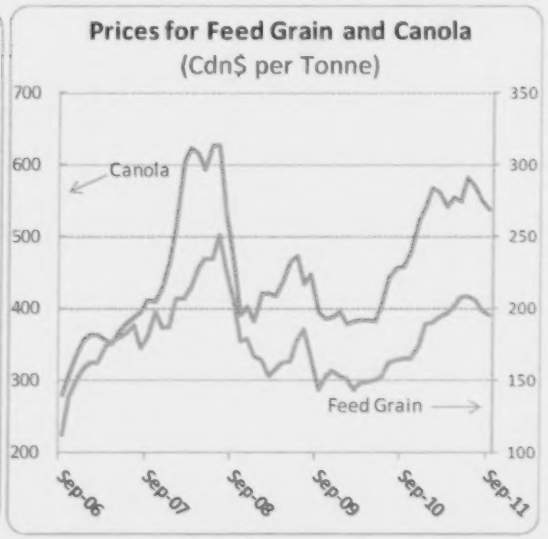
The West Yellowhead region had total farm cash receipts of $222 million in Census year 2006, accounting for 2.2% of Alberta's farm receipts. In that year, there were almost 2,700 farms in the region with a total acreage of 1.6 million acres. Average farm size was 600 acres, less than the Alberta average of 1,055 acres per farm.

The region accounted for 3.5% of Alberta's total value of on-farm livestock and poultry with a total market value of $176 million in 2006. The total number of cattle and calves was 237,000, most of them beef cattle. West Yellowhead's share of Alberta's total number of cattle and calves was 3.7%, of sheep 5.3%, and of horses and ponies 6.4%.

Cropland acreage totaled 550,000 acres or 2.3% of Alberta's cropland. The region's major crops include alfalfa, hay, barley, oats, mixed grains and canola.

Very few current agricultural indicators are available for these special geographies. However, livestock estimates are available for Census Division 14 (CD14), which is part of the West Yellowhead region[1]. Between mid-year 2006 and mid-year 2011, the number of cattle and calves in CD 14 declined sharply by 40%.




The global economic crisis had a profound impact on crop prices. Prices for canola and feed grain had more than doubled between early 2006 and the summer of 2008, but fell sharply by about 40% through early 2009. Crop prices rebounded strongly between spring 2010 and summer 2011, but recent global uncertainties have led to modest price declines during the past few months. Prices for red spring wheat fell sharply in August and September, but recovered some of their losses in October 2011. The recent weakening of the Canadian dollar against the US dollar will benefit Alberta crop and cattle growers.

In 2011, Alberta crop production was significantly higher than in the previous year, with record harvests of canola (4.8 million tonnes) and spring wheat (7.6 million tonnes). Unlike the eastern parts of the province, which had much better than normal crop conditions in 2011, crop conditions in the West Yellowhead region were close to normal.

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[1] A map of Agricultural Census Divisions can be found in: http://www.statcan.gc.ca/ca-ra2006/in/car-rar-eng.pdf

# Energy

Oil and gas production in the West Yellowhead region has been relatively stable over the last five years, with gas production increasing by 6.3% between 2004 and 2009, and oil production dropping by 5.1%. Between 2008 and 2009, gas production declined by 4.9% while oil production fell by 13.0%.

West Yellowhead's share of overall Alberta gas production was 17.4% in 2009, making it the third largest producer out of 14 regions. Average annual gas prices dropped by 53.3% in 2009 to $3.65 per gigajoule. So far in 2010, gas prices have averaged $3.73, a slight increase from 2009, and low by historical standards.

The West Yellowhead region is the third largest conventional oil producing region in Alberta and the sixth largest overall oil producer (combining conventional and oil-sands). The region's share of Alberta's conventional oil production was 12.2% in 2009, but its share of total crude oil output was only 2.9%. Oil prices dropped by 38.0% to US$61.80 per barrel in 2009. However, so far in 2010 oil prices have averaged $78.96, an increase of 27.8%.

Over the last five years, the number of spudded wells[15] in the region has dropped 69.1%. Between 2008 and 2009, the spud count dropped by 58.2% to 348 wells, accounting for 4.8% of the Alberta total. Part of the decline can be attributed to a weak global economy and soft energy prices. However, in the first 10 months of 2010, the number of wells drilled in Alberta rose 44% from the same period of 2009, largely because of a more than doubling in the number of conventional oil wells. The Petroleum Services Association of Canada is forecasting an increase of 5% in 2011 over 2010 for Alberta drilling. These drilling estimates and forecasts should provide some optimism for oil producers in West Yellowhead.

| Economic Indicators: West Yellowhead Region | | | | | |
|---|---|---|---|---|---|
| **Oil and Gas Statistics** | | | | | |
| | **2009** | **2008** | **2004** | **% Change 1 Year** | **% Change 5 Years** |
| Crude oil production (millions of cubic metres) | 3.3 | 3.7 | 3.4 | -13.03% | -5.09% |
| Natural gas production (billions of cubic metres) | 24.1 | 25.3 | 22.7 | -4.89% | 6.34% |
| Number of wells spudded | 348 | 832 | 1127 | -58.17% | -69.12% |
| Source: Alberta Energy | | | | | |

The region's total gas potential represents 13.0% of Alberta's overall reserves, and oil potential is 13.6% of Alberta's conventional reserves.

[15] A spud is the very beginning of a drilling operation for a well

# Forestry

The West Yellowhead region is the province's top producer of forest products, such as lumber, oriented strand board (OSB) and wood pulp. It is also the province's largest lumber producer. In 2009, the region accounted for 34.1% of all the wood fiber processed in the province. As a result, the region's two largest manufacturing sectors are wood products (mainly lumber and OSB) and pulp and paper.

Of the 7.1 million cubic metres of logs consumed by these two manufacturing sectors in the West Yellowhead region in 2009, 71% was used to produce lumber, 24% to produce pulp and paper, and 6% to produce OSB. OSB production tumbled by 70% between 2005 and 2009. Over the same period, lumber production rose 3% and pulp and paper production fell by 16%.

In 2009, forestry accounted for about 6,000 jobs (direct plus indirect and induced jobs) in the region, down from 8,700 jobs in 2005. About 2,150 of these jobs are direct jobs (processing jobs), a 32% decline from 2005. In Census year 2006, total employment in the region was 46,190. As the forestry sector accounted for an estimated 8,700 jobs (direct plus indirect and induced) in the same year, about 19% of the region's jobs are directly or indirectly related to the forestry industry. The loss of about one-third of forestry employment between 2005 and 2009 would have a serious impact on the entire region.

Over the past four years, the value of shipments by Alberta's wood products sector fell by one-half, mainly because of the precipitous decline of the U.S. housing market. Between the first quarter of 2006 and the first quarter of 2009, U.S. housing starts fell from more than two million starts (on an annual basis) to fewer than 600,000 starts. During the past 18 months starts have remained in the 500,000 to 600,000 range. Canadian housing starts fell by one-half between mid-2008 and mid-2009, but have recovered most of their losses since then. Alberta housing starts also peaked in 2006, and fell by more than one-half between 2006 and 2009. Since then they have recovered strongly, but are not expected to return to 2006 levels over the near future.

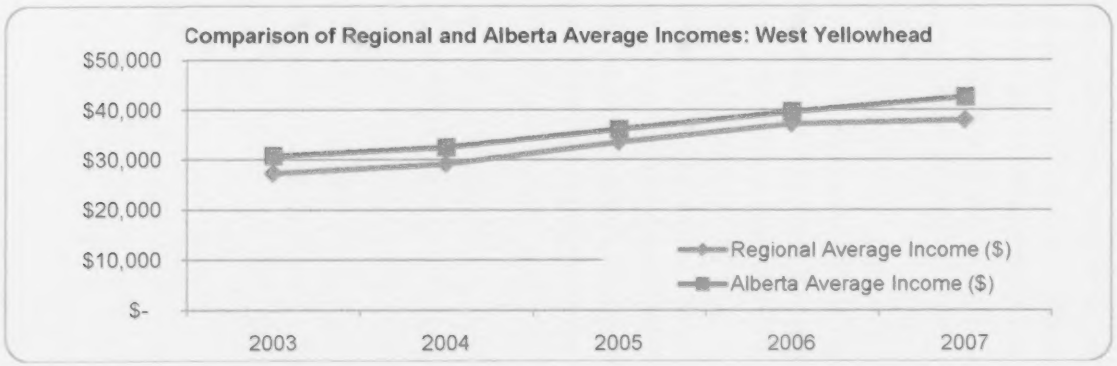
The value of shipments by the West Yellowhead region's wood products and pulp and paper sectors totaled about $800 million in 2009, a 36% decline from 2005. The region also produces about $30 million of secondary wood products, such as cabinetry and millwork.

The global economic and U.S. housing crises have had a profound impact on forest product prices. Prices for lumber had dropped by more than one-half between early 2006 and early 2009. However, these prices have increased sharply by about one-third since then. OSB prices peaked in early 2004 at nearly US$500 per thousand square feet, and bottomed out in the first half of 2009 at US$120. Since then, they have risen to about US$200. Pulp prices dropped by less than 30% between mid-2008 and the second quarter of 2009 and reached new highs by mid-2010.

# Income, Taxfiler

In 2007, the average individual income in the West Yellowhead Region was $37,960, a 2.1% increase from 2006, but 10.8% less than the provincial average of $42,570 in 2007. In the same year, average couple income[21] in the West Yellowhead Region was $104,625, a 3.2% increase from the year before, but 16.6% less than the provincial average of $125,485 in 2007.

The percentage of taxfilers that reported an individual gross income over $100,000 was 7.2%, while 41.3% of taxfilers identified as couples reported an income of over $100,000.



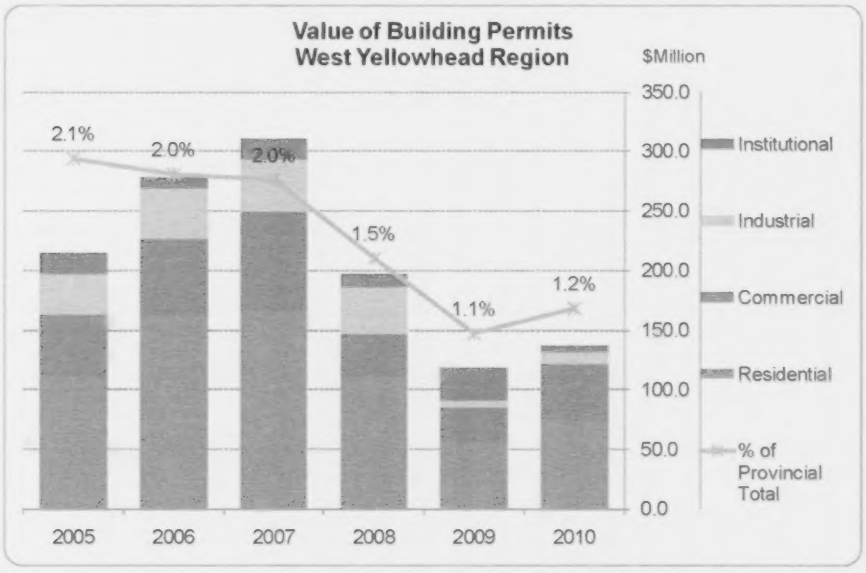

| Economic Indicators: West Yellowhead Region | | | | | | |
|---|---|---|---|---|---|---|
| | Single Taxfilers | | | Couple Taxfilers | | |
| | 2007 | 2006 | 2003 | 2007 | 2006 | 2003 |
| Average Income ($) | | | | | | |
| West Yellowhead | $37,960 | $37,175 | $27,315 | $104,625 | $101,390 | $73,370 |
| % Change 1 Year | 2.1% | | | 3.2% | | |
| % Change 4 Year | 39.0% | | | 42.6% | | |
| Alberta | $42,570 | $39,560 | $30,770 | $125,485 | $115,965 | $87,775 |
| % Change 1 Year | 7.6% | | | 8.2% | | |
| % Change 4 Year | 38.3% | | | 43.0% | | |
| Income Range | | | | | | |
| 0 or Negative | 18.6% | 18.3% | 19.2% | 0.4% | 0.3% | 0.6% |
| $1-$20,000 | 26.3% | 27.7% | 34.4% | 4.5% | 4.7% | 8.1% |
| $20,000-$40,000 | 18.8% | 18.9% | 18.6% | 12.1% | 13.5% | 18.0% |
| $40,000-$60,000 | 12.4% | 12.1% | 11.8% | 11.7% | 12.7% | 17.7% |
| $60,000-$80,000 | 10.3% | 10.1% | 8.7% | 14.6% | 15.5% | 18.6% |
| $80,000-$100,000 | 6.4% | 6.2% | 4.3% | 15.3% | 16.0% | 15.3% |
| Over $100,000 | 7.2% | 6.7% | 2.9% | 41.3% | 37.3% | 21.8% |
| Source: Alberta Finance and Enterprise | | | | | | |

[21] Couples are defined as married or common-law

# Investment

In 2010, the total building permit value for the West Yellowhead region stood at $137.1 million, making up 1.2% of the provincial total. In 2010, the total building permit value for the West Yellowhead region increased by 15.6% from 2009, but was 36% lower than the 2005 level. The increase between 2009 and 2010 can be attributed to the commercial permit value increasing by $17.5 million or 60.5%, and the residential permit value by to $18.8 million or 33.4%. Over the same period, industrial permits almost doubled to $10.3 million, while institutional permit values fell 81.3%. Between 2005 and 2010, residential permits decreased by 33%.

The total number of dwelling units for which building permits were taken out in the West Yellowhead region in 2010 was 335. This was a 16% increase from the previous year and a 72% decline from 2005 levels. Over that five-year period, the number of multiple family dwelling units fell by 89% to 77 units in 2010. Over the same period, the number of single dwellings declined by 45% to 258 units.

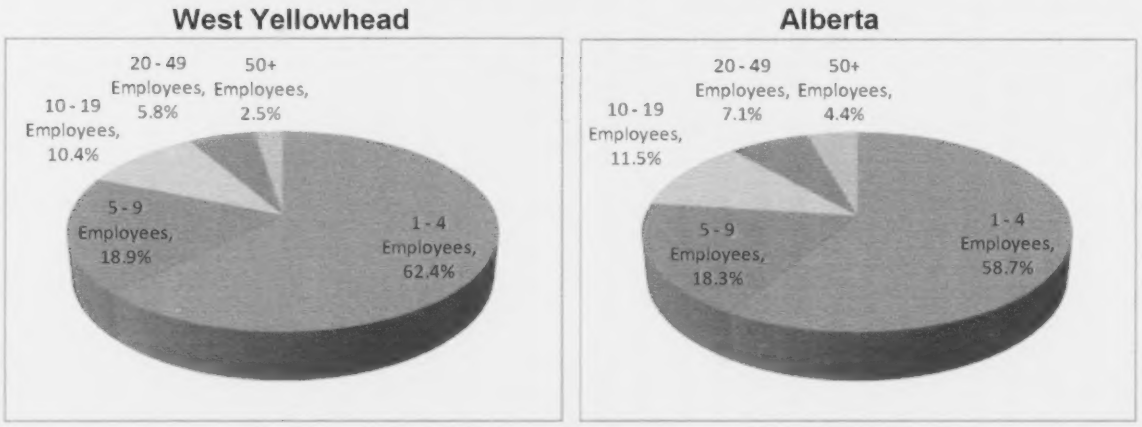



| Economic Indicators West Yellowhead Region | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Building Permits: Value ($ Millions)** | | | | | | | | |
| | **2010** | **2009** | **2008** | **2007** | **2006** | **2005** | **%Change 1 Year** | **%Change 5 Years** |
| Total | 137.1 | 118.6 | 197.4 | 310.3 | 278.4 | 214.1 | 15.6% | -36.0% |
| % of Provincial Total | 1.2% | 1.1% | 1.5% | 2.0% | 2.0% | 2.1% | 14.2% | -42.8% |
| Commercial | 46.5 | 29.0 | 35.1 | 82.7 | 62.7 | 51.3 | 60.5% | -9.3% |
| Industrial | 10.3 | 5.5 | 39.6 | 43.7 | 42.9 | 33.8 | 89.5% | -69.4% |
| Institutional | 5.2 | 27.9 | 11.3 | 17.1 | 9.3 | 17.0 | -81.3% | -69.4% |
| Residential | 75.1 | 56.3 | 111.4 | 166.8 | 163.4 | 112.0 | 33.4% | -33.0% |
| **Building Permits: Number of Dwelling Units** | | | | | | | | |
| | **2010** | **2009** | **2008** | **2007** | **2006** | **2005** | | |
| Total | 335 | 289 | 472 | 1,374 | 1,878 | 1,182 | 15.9% | -71.7% |
| % of Provincial Total | 1.3% | 1.3% | 1.7% | 1.7% | 1.7% | 1.9% | -1.9% | -32.0% |
| Single Dwellings | 258 | 166 | 373 | 572 | 641 | 466 | 55.4% | -44.6% |
| Multiple Use Dwellings | 77 | 123 | 99 | 802 | 1,237 | 716 | -37.4% | -89.2% |
| Source: Statistics Canada, Building Permits by Activity Report and Publication | | | | | | | | |

# Establishments with Employees

In 2010, the West Yellowhead Region had 4,936 or 3.4% of all establishments in Alberta. Of these establishments 4,811 or 97.5% were small companies with between 1 and 49 employees. Micro-businesses with fewer than five employees have a 62.4% share of the region's total number of companies and large companies with 50 or more employees have a 2.5% share, compared to the 4.4% Alberta average.

**Number of Establishments by Employee Size in 2010:**
**West Yellowhead Region and Alberta**


West Yellowhead
20 - 49 Employees, 5.8%
50+ Employees, 2.5%
10 - 19 Employees, 10.4%
5 - 9 Employees, 18.9%
1 - 4 Employees, 62.4%
Alberta
20 - 49 Employees, 7.1%
50+ Employees, 4.4%
10 - 19 Employees, 11.5%
5 - 9 Employees, 18.3%
1 - 4 Employees, 58.7%

Between 2005 and 2010, there was a decline of 1.4% (or 72 companies) in the total number of businesses in the West Yellowhead Region and a 0.7% drop (or 32 companies) in the number of small businesses. By comparison, at the provincial level, the total number of businesses increased by 2.3% and small companies experienced an increase of 3.4% over the same period.

In the West Yellowhead Region, 66% of companies with employees were involved in service industries in 2010. The total number of companies in service industries declined by 3.3% over the past five years, while the goods industry had a 2.3% increase over the same period.

Utilities and Construction is the largest industry in the region, making up 14.4% of establishments with employees in the West Yellowhead Region (the Construction sector accounts for 97% of all companies in this sector). By comparison, 13.8% of establishments with employees are engaged in the Utilities and Construction industry at the provincial level. Other large industries are Mining, Oil and Gas Extraction, Other Services (such as repair and maintenance companies) and Retail Trade.

Over the past five years, the Mining, Oil and Gas Extraction industry experienced the highest growth in the number of businesses, up 22.4% between 2005 and 2010. The Utilities and Construction industry had an increase of 13.5% in the number of establishments over the same period. Agriculture and Forestry registered the largest

decline: down 28.4% between 2005 and 2010. Unlike other regions of Alberta, more than half of all companies in the Agriculture and Forestry industry are Forestry businesses. Information, Culture, Recreation and Arts, Manufacturing, Transportation and Warehousing, and Professional, Scientific and Technical Services all registered declines of more than 10% over the same period.

| Numbers of Establishments by Industry<br>West Yellowhead Region | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| All Companies (1+ Employees) | | | | | Small Companies (1-49 Employees) | | | |
| | 2005 | 2009 | 2010 | 5-Year % Change | 2005 | 2009 | 2010 | 5-Year % Change |
| **Total, All Industries** | **5,008** | **5,096** | **4,936** | **-1.4%** | **4,843** | **4,967** | **4,811** | **-0.7%** |
| **Total, Goods Industries** | **1,636** | **1,733** | **1,674** | **2.3%** | **1,578** | **1,688** | **1,629** | **3.2%** |
| Agriculture & Forestry | 444 | 328 | 318 | -28.4% | 438 | 327 | 315 | -28.1% |
| Mining, Oil & Gas Extraction | 433 | 557 | 530 | 22.4% | 417 | 541 | 512 | 22.8% |
| Utilities & Construction | 629 | 727 | 714 | 13.5% | 606 | 712 | 700 | 15.5% |
| Manufacturing | 130 | 121 | 112 | -13.8% | 117 | 108 | 102 | -12.8% |
| **Total, Service Industries** | **3,372** | **3,363** | **3,262** | **-3.3%** | **3,265** | **3,279** | **3,182** | **-2.5%** |
| Wholesale Trade | 149 | 152 | 148 | -0.7% | 146 | 149 | 144 | -1.4% |
| Retail Trade | 509 | 504 | 505 | -0.8% | 493 | 484 | 484 | -1.8% |
| Transportation & Warehousing | 514 | 509 | 458 | -10.9% | 502 | 502 | 453 | -9.8% |
| Information, Culture, Recreation & Arts | 117 | 101 | 99 | -15.4% | 116 | 98 | 99 | -14.7% |
| Finance, Insurance, Real Estate & Leasing | 270 | 259 | 251 | -7.0% | 266 | 258 | 250 | -6.0% |
| Professional, Scientific & Technical Services | 467 | 454 | 420 | -10.1% | 460 | 451 | 417 | -9.3% |
| Administrative & Waste Management Services & Management of Companies | 273 | 302 | 295 | 8.1% | 267 | 301 | 295 | 10.5% |
| Educational Services | 33 | 30 | 30 | -9.1% | 27 | 27 | 27 | 0.0% |
| Health Care & Social Assistance | 190 | 187 | 195 | 2.6% | 180 | 176 | 184 | 2.2% |
| Accommodation & Food Services | 299 | 298 | 307 | 2.7% | 275 | 279 | 288 | 4.7% |
| Other Services Excluding Private Household Services* | 524 | 538 | 529 | 1.0% | 515 | 535 | 526 | 2.1% |
| Public Administration | 27 | 29 | 25 | 8.0% | 18 | 19 | 15 | -16.7% |
| Source: Canadian Business Patterns, Statistics Canada | | | | | | | | |

* A new subsector, Private Households (hiring cooks, nannies, etc.) was created in 2006, thereby inflating the 2006 to 2010 estimates for the sector and the region as compared to previous years. Hence, to make the data comparable, the values shown for the "Other Services Excluding Private Household" industry has been adjusted and does not include the Private Households sector data.

# Inventory of Major Projects

As of March 31, 2011 there were 23 projects proposed, planned, under construction or recently completed in the West Yellowhead region.

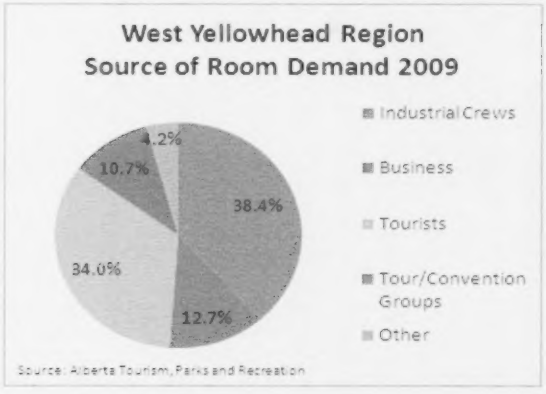
The total value for the projects in the West Yellowhead region was $1.6 billion, as of March 31, 2011. Around 45% of the projects' value is attributable to Power projects, and a further 26% to Mining projects.

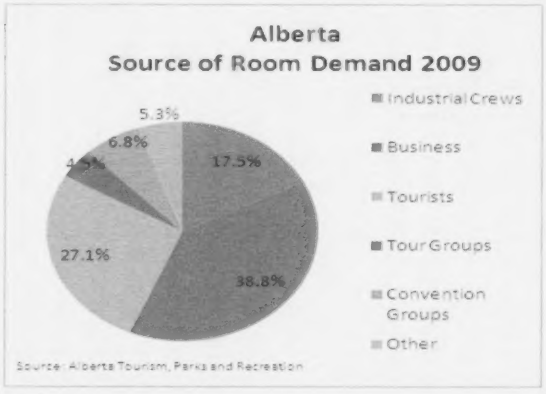
| Economic Indicators: West Yellowhead Region | | | | |
|---|---|---|---|---|
| **Major Construction Projects, As of March 31** | | | | |
| | **Number of Projects** | | **Value ($millions)** | |
| **Industry Sector** | **2011** | **2010** | **2011** | **2010** |
| Forestry & Related | 4 | 0 | $150.6 | $0.0 |
| Infrastructure | 5 | 7 | $99.7 | $124.9 |
| Institutional | 2 | 3 | $122.0 | $48.5 |
| Manufacturing | 0 | 1 | $0.0 | $10.0 |
| Mining | 3 | 2 | $415.0 | $230.0 |
| Oil & Gas | 1 | 0 | $40.0 | $0.0 |
| Pipelines | 1 | 1 | $15.0 | $27.0 |
| Power | 4 | 4 | $730.0 | $730.0 |
| Residential | 1 | 4 | $6.5 | $28.4 |
| Tourism/Recreation | 2 | 3 | $26.8 | $45.8 |
| **Total** | **23** | **25** | **$1,605.6** | **$1,244.6** |
| **% of Provincial Total** | **2.7%** | **2.7%** | **2.7%** | **0.5%** |
| Source: Alberta Finance and Enterprise, Inventory of Major Alberta Projects | | | | |

*Note: 2010 and 2011 cannot be compared because some projects are carried over several years and there is only one cost available for the entire project.*

# Accommodation & Hospitality

In 2009 West Yellowhead Region had 94 accommodation properties with a total of 6,557 rooms, thus accounting for 10.3% of available rooms in Alberta. The largest proportion of room demand (38.4%) came from industrial crews, followed by tourists at 34.0%. The average occupancy rate in the region was 52.7%, compared to the provincial average of 58.6%. The average room rate was $113.88, slightly above the provincial average of $112.19.




| Economic Indicators: West Yellowhead Region | | |
|---|---|---|
| **Accommodation Statistics** | **2008** | **2009** |
| **West Yellowhead** | | |
| Number of Properties | 89 | 94 |
| Supply of Rooms | 6,230 | 6,557 |
| Share of Alberta Rooms | 10.0% | 10.3% |
| Average Number of Rooms/Property | 70.0 | 69.8 |
| Occupancy Rate | 61.3% | 52.7% |
| Average Room Rate | $111.42 | $113.88 |
| **Alberta** | | |
| Average Number of Rooms/Property | 82.5 | 82.0 |
| Occupancy Rate | 68.2% | 58.6% |
| Average Room Rate | $113.54 | $112.19 |
| Source: Alberta Tourism, Parks and Recreation | | |

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- Alberta Oil Sands Industry Quarterly Update
- Facts on Alberta
- Highlights of the Alberta Economy
- Inventory of Major Alberta Projects
- Monthly Economic Review
- Alberta Natural Gas Industry Quarterly Update